

Committee on Resources, Subcommittee on Energy & Mineral Resources

[energy](#) - - Rep. Barbara Cubin, Chairman

U.S. House of Representatives, Washington, D.C. 20515-6208 - - (202) 225-9297

Witness Statement

F. W. Lewis, Inc.

April 11, 2001

Committee on Resources
Subcommittee on Energy and Minerals
1626 Longworth HOB
Washington D. C. 20515

Members of the Committee.

My Name is Frank W. Lewis.

Thank you very much for allowing me the privilege of testifying before you.

I have been a miner and prospector in Nevada since 1954.

My first mining venture was with my now deceased father in law in Ely, Nevada. Our equipment consisted of picks and shovels. We hand trammed gold and silver flux ore to our ore bin. Then with an old 5-ton truck we hauled our ore to the McGill smelter. For any of you who have been to Ely and know the large "WP" on the mountain behind Ely, that's where our mine was.

Over the years my little company, F. W. Lewis, Inc. has purchased many patented mines in Nevada, and Colorado. We also staked literally thousands of unpatented claims which we explored and sometimes mined. Mostly we explored developing targets for interested companies.

My first problem with the Federal Government was while I was in the Army in 1955. In the old days when you owned an unpatented mining claim you also owned the surface rights. Then environmentalists and Forest Service influenced Congress to take away surface rights to mining claims.

I was drafted into the service training at Ford Ord, California basic training camp. I found myself sitting on my bunk reading a registered letter from the Forests Service telling me they were taking my surface rights to my mining claims away from me back in White Pine County, Nevada.

I hired Jon Collins, an Ely Attorney to represent me sending him half of the ninety dollars a month I was being paid to serve my country.

Then it dawned on me I would never make it on just my Army pay trying to fight the United States Government.

I wrote about my difficult problem to the late house member Walter Baring. God Bless his soul! He sent a

Government Mining Engineer out to examine my claims. The engineer reported back to Walter Baring that my claims definitely were legitimate and mineralized. He made the Forest Service leave me alone, and acknowledged the legitimacy of my property.

At one time we had over a thousand staked mining claims accumulated over the years, mostly in Eastern Nevada. All my working life I spent most of the money I earned exploring in Nevada. I was one of the more successful individual mine property developers. My company accumulated patented as well as unpatented claims. Since the hundred dollar fee went into effect we have not staked even one mining claim.

Then Congress passed the hundred-dollar fee and greatly expanded the bonding and other new regulations removing all or almost all of the small miners like myself out of the business of exploration in Nevada. It does not pay any more to explore in Nevada hoping you can find a company to lease your property to after you have made a discovery.

We have dropped almost all of our unpatented claims keeping only my patented claims.

About 18 years ago I financed my son a metallurgical engineer in the development of an assay laboratory, metallurgical testing laboratory and a mine supply business by the name of Legend, Inc. We employed between twenty and twenty-five people here in Reno in a property and building, which I purchased.

For the last two years the lab lost money due to a lack of customers. We have had to lay off most of our very good and loyal employees, close down our business and sell off our equipment.

As they are finding out in California if a company does not make money they can't hire people and pay their bills. It's impossible to explore for minerals or do and work on a mine if you are not making money.

There is very little exploration being done in Nevada now except as expansion of existing good mines.

Many companies have already declared bankruptcy in this state and many more are going to be bankrupt before this is over. Most of the mines are going to have to lay off their employees. Only a handful of the existing mining companies in Nevada are actually reporting company profits now.

I have myself personally paid hundreds of thousands of dollars to the State of Nevada in net proceeds of mine taxes over the years. Nevada's net proceeds income tax is a principal source of income to the state coffers

It is true that it is not just the hundred-dollar fee. The reasons for the pending doom in the mining business are cumulative. Bonding has hurt, having to spend millions of dollars in clean up to make a few acres that a cow can live on or a few jack rabbits is money spent that should have been left in the company to reinvest in and find another mine to keep people working.

We need a friendly government to encourage us, one that believes in private property rights.

To give another example: We spent hundreds of thousands of dollar a few years ago on a group of unpatented claims near Battle Mountain, Nevada. We did develop a small fairly high gold deposit. We then spent fifty thousand dollars hiring engineers to do a near feasibility study to accompany our patent application.

We applied for patent and the U S Government Mining Engineer Mineral examiner approved it. The Reno

BLM office approved it and sent it to. Washington where it now sits, or perhaps it has been thrown away. It has sat now there for years and years with no signature. There is one claim in my patent pending and at this rate I'll probably be long dead before it is ever signed. All that money spent and an uncaring Government doing everything they can to harm the mining industry. A government that seems to no longer want mineral production in America. A government that dislikes the notion of private property ownership.

The least that should be done if you want to get this industry on its feet would be to eliminate or lower the hundred dollar fee to 5 dollars. The five dollars would be five times as much as the counties charge for doing exactly the same job. This five dollars would pay for the BLM office work, which is a senseless duplication of the exact same work the counties already do, and have done for a hundred years or more.

Thank you again for listening to me.

I would answer any questions as best I can.

Frank W. Lewis, Pres.

#